

SB 110 Oversight Committee  
Interim Report  
August 4, 2004

The Department recognizes the Committee's need for information. These charts have been developed to assist you in your work and to provide a better understanding of New Hampshire's health insurance markets. The Department cautions that this data is incomplete and does not provide sufficient basis for reaching firm conclusions regarding the impact of SB 110 on the small group market.

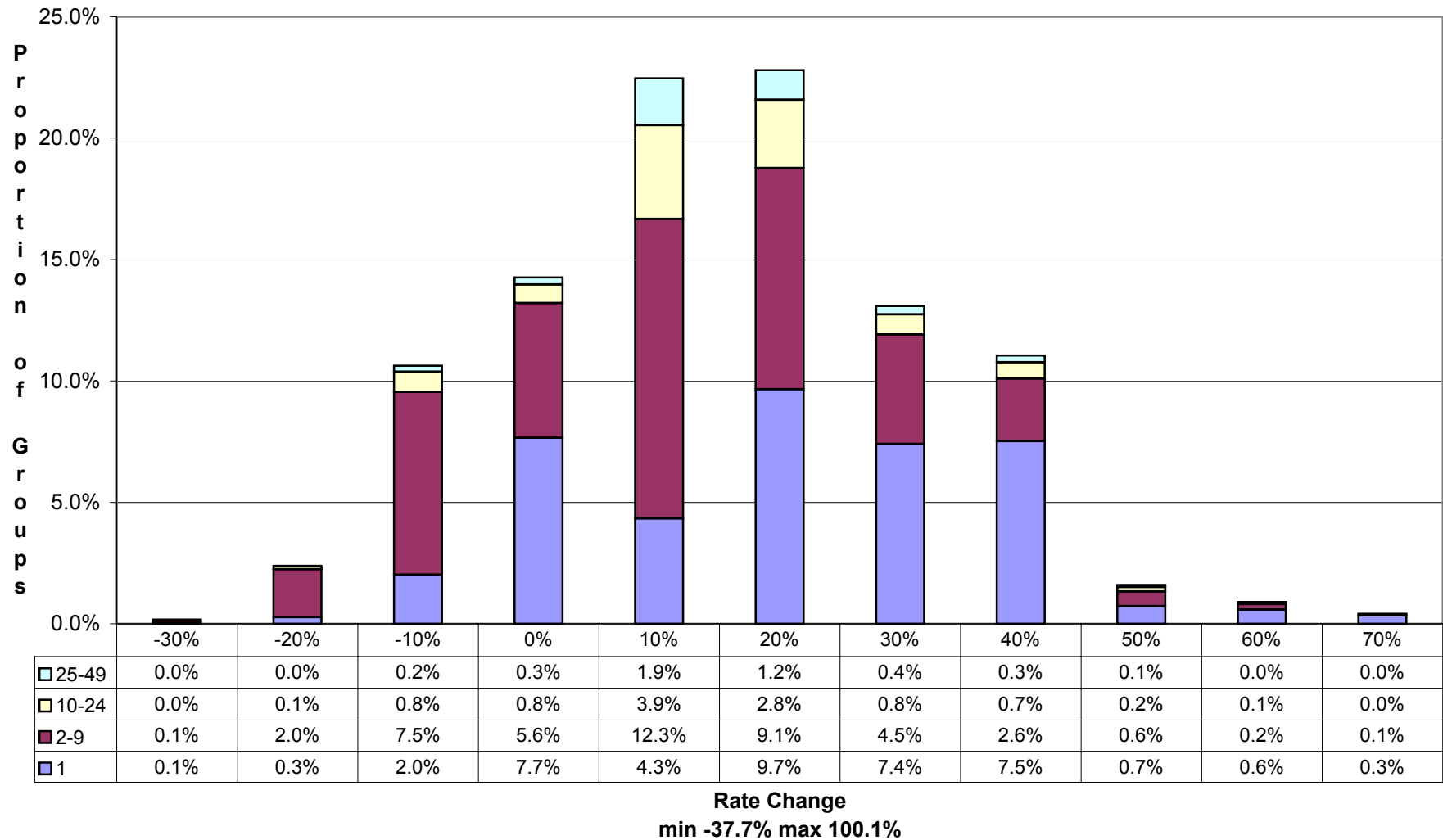
The Department was not able to collect information from each and every carrier. These charts are based on information provided by the HMO's.

The Department is still analyzing the information provided. Some of the extreme outliers may be attributable to errors in reporting. The Department is conducting further review of the data.

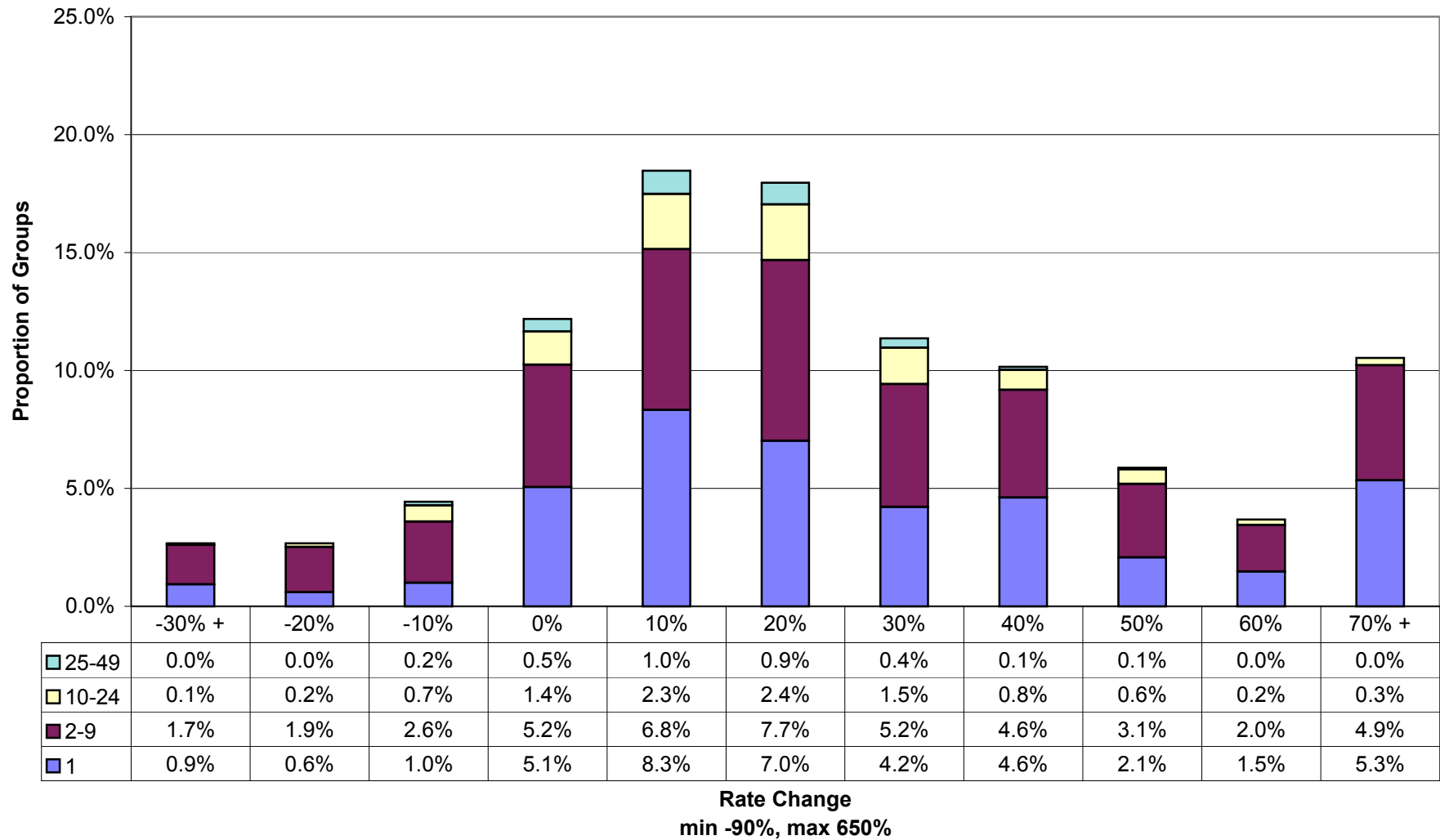
The Department modeled what legislators might anticipate the variation in premium rates would be upon the implementation of SB110. The actual variation in first quarter renewals is presented on a PEPM basis, Per Employee Per Month, and on a PMPM basis, Per Member Per Month. Generally, there seems to be slightly more variation in rates than the Department model predicted.

Information on premiums, claims and income, might suggest that the industry was moving from a soft market to a hard market beginning in 2000 and that the hard market may be nearing its apex today. Some groups do appear to be moving from the self-funded market to the fully insured market.

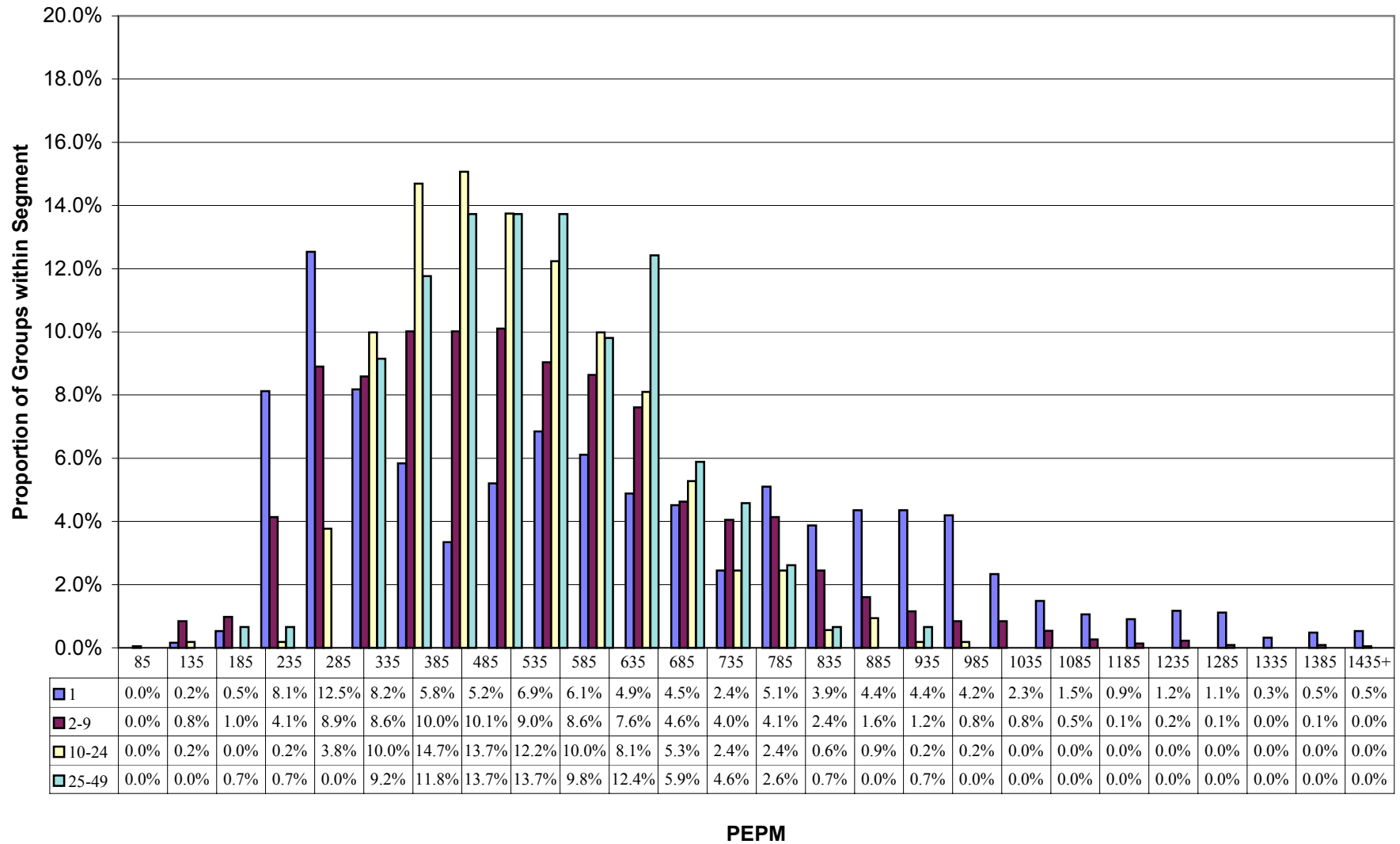
**Rate Changes Anticipated the First Year Small Group Reform is Effective  
Assumed Trend at 12.5%**



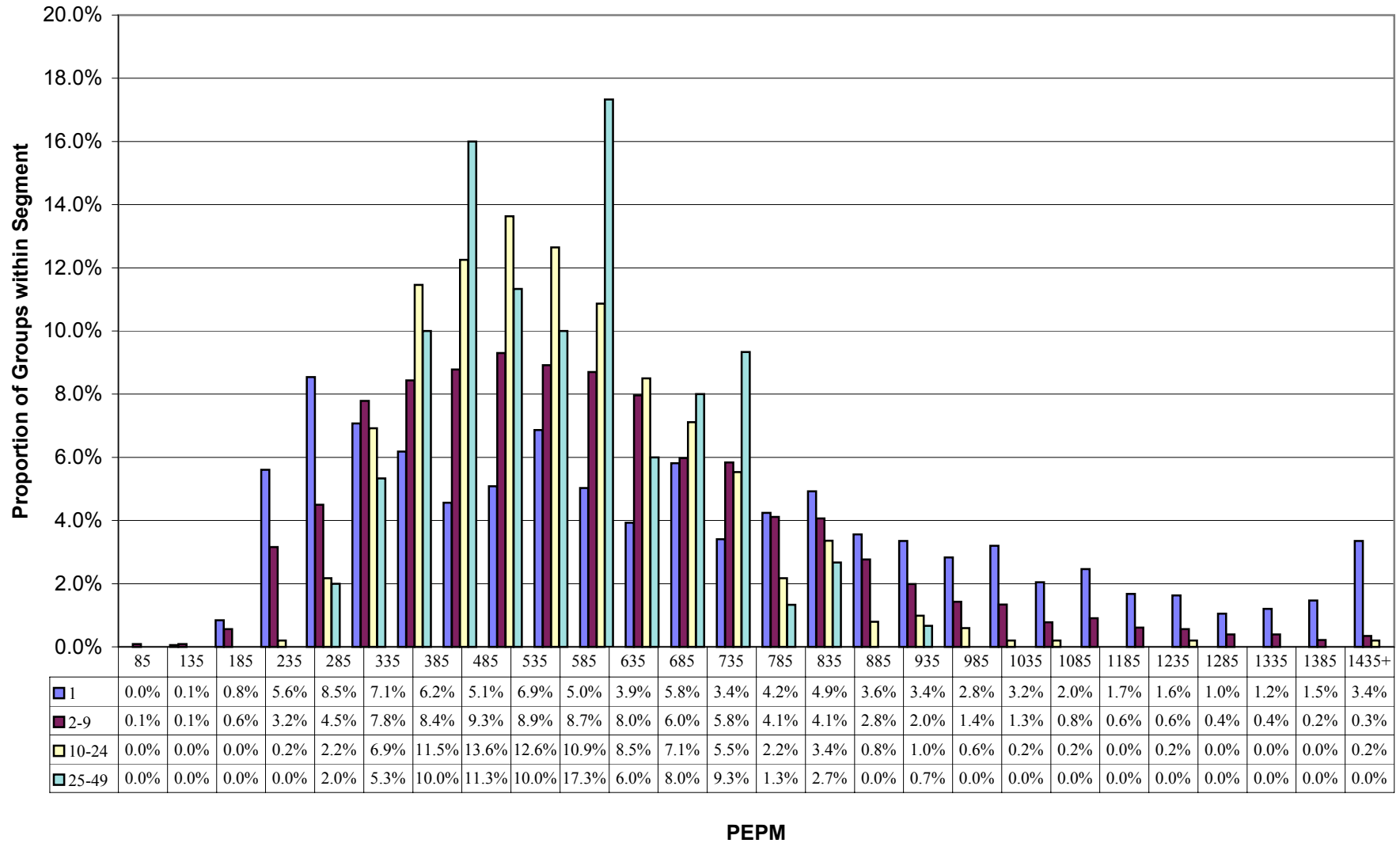
# PEPM Analysis 1st Quarter Renewals



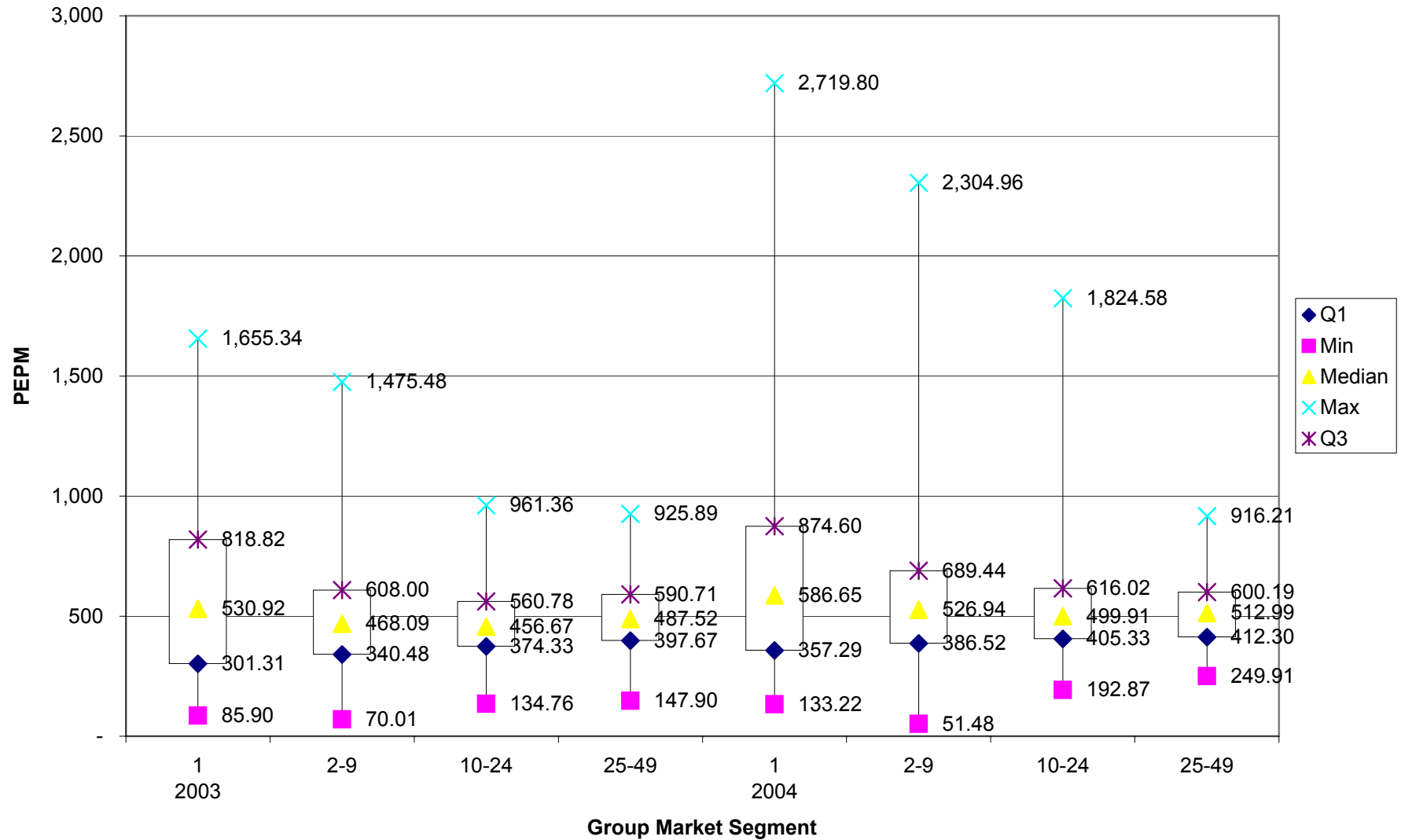
## 2003 PEPM Relative to Median (485) - 1st Quarter Renewals



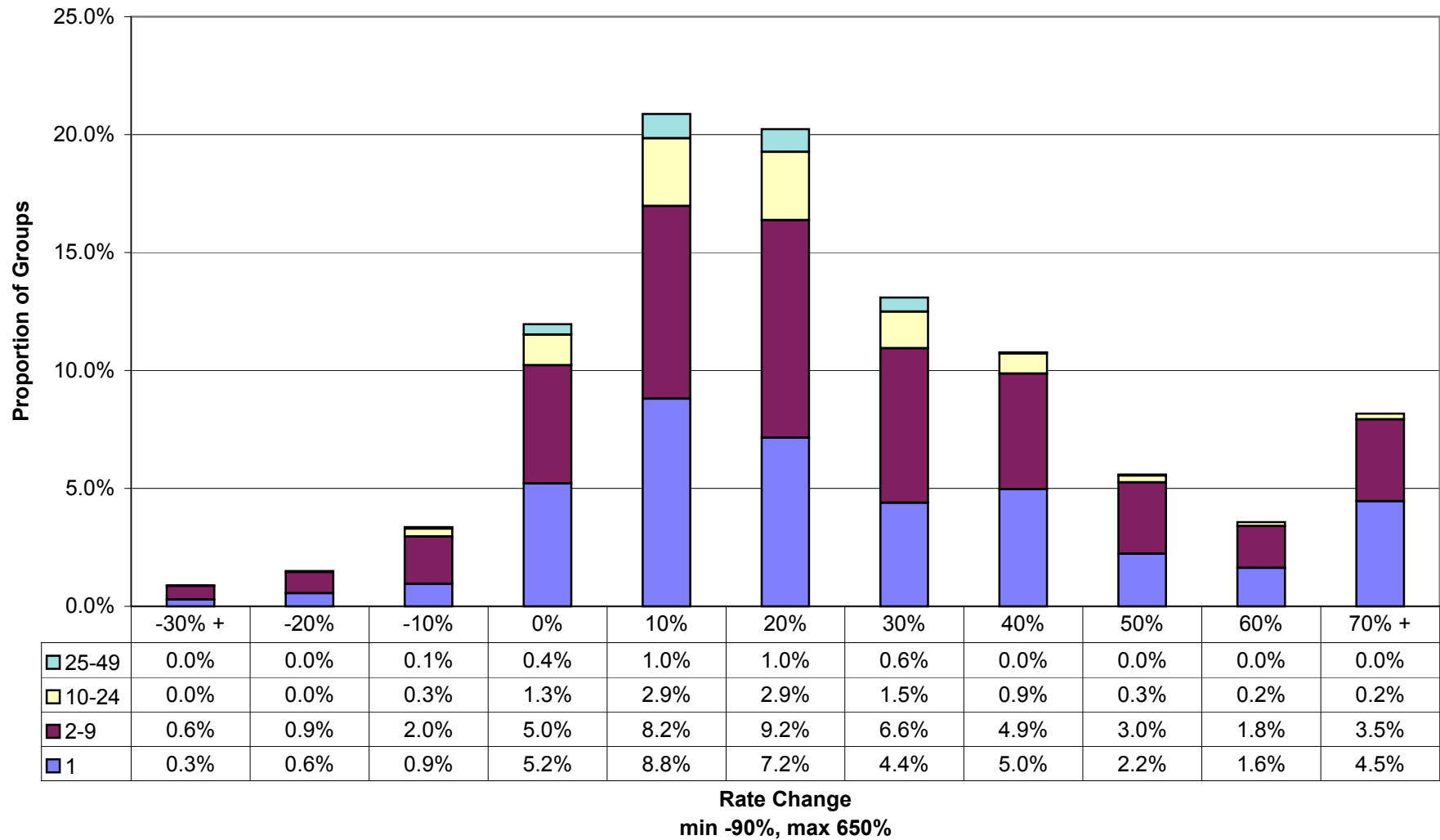
## 2004 PEPM Relative to Median (535) - 1st Quarter Renewals



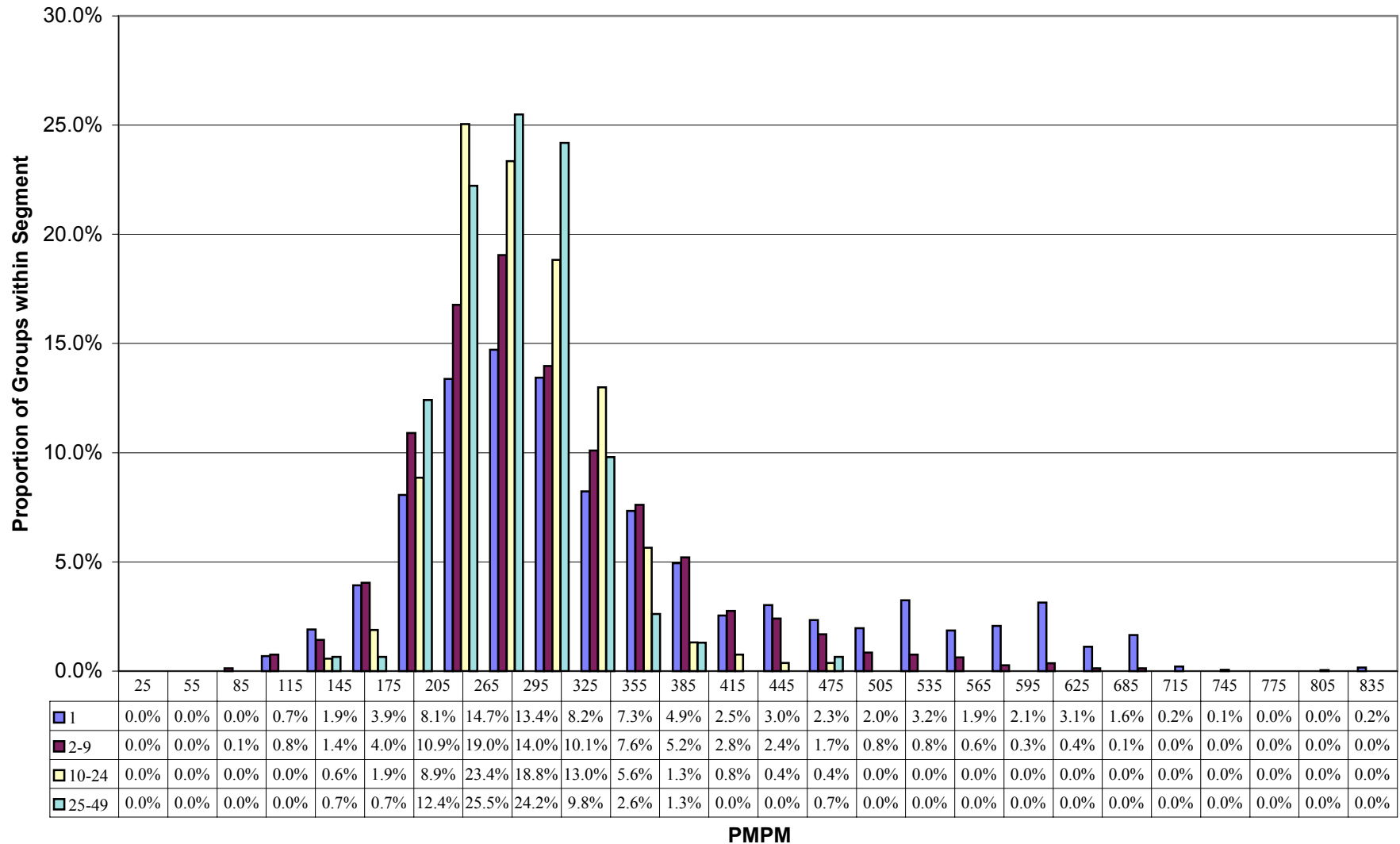
**PEPM Box Plot - 1st Quarter Renewals**



# **PMPM Analysis 1st Quarter Renewals**

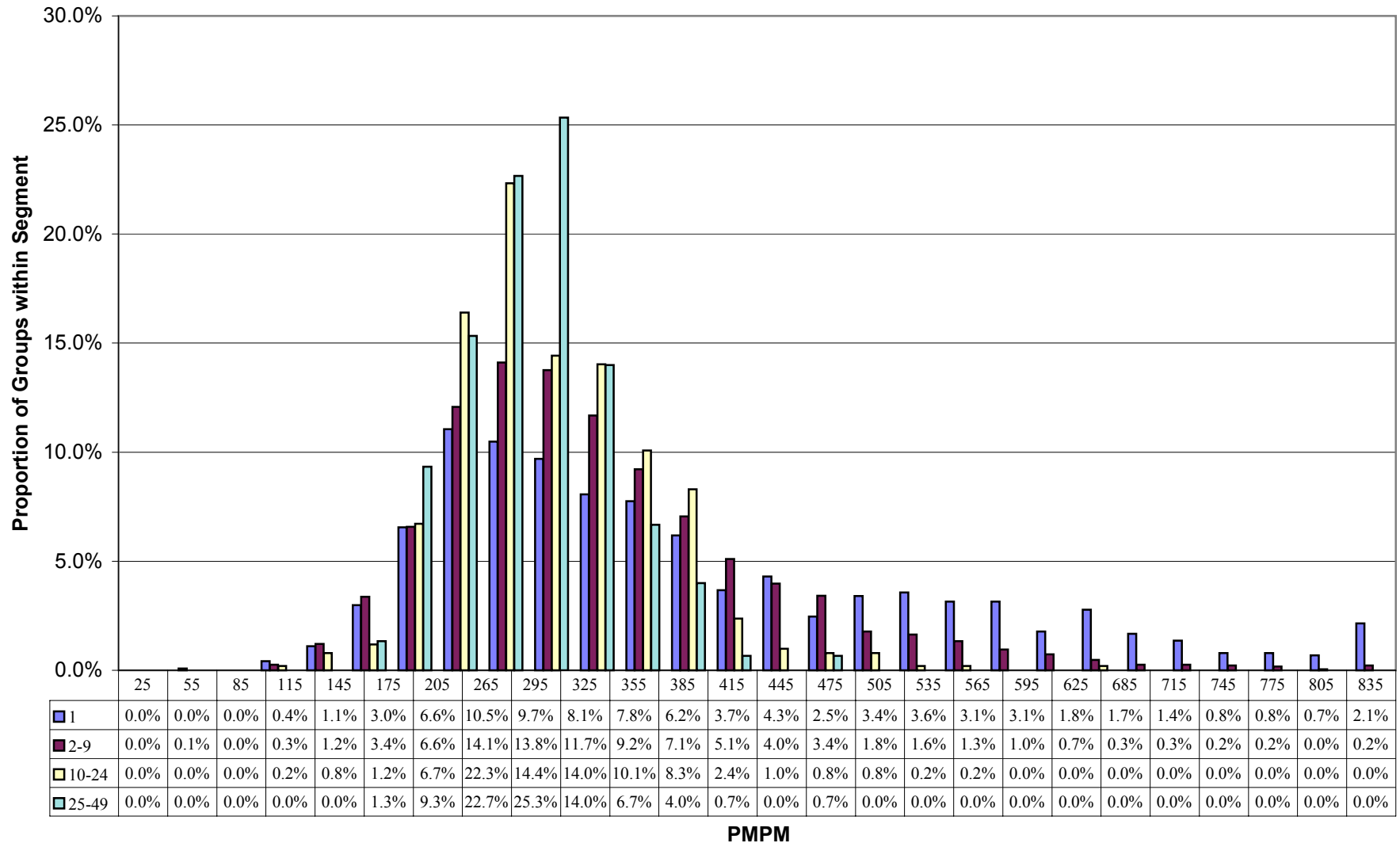


### 2003 PMPM Relative to Median (265) - 1st Quarter Renewals

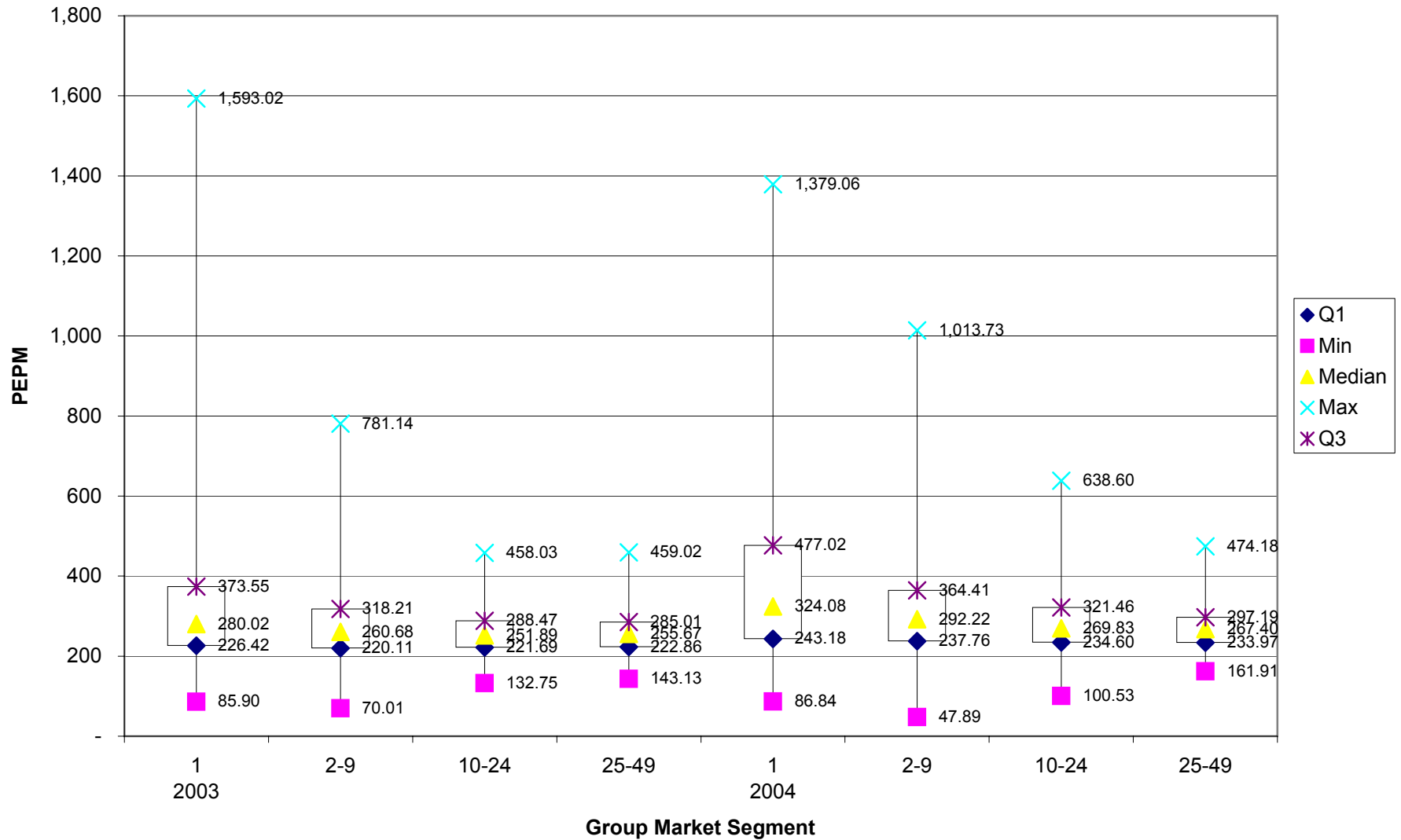




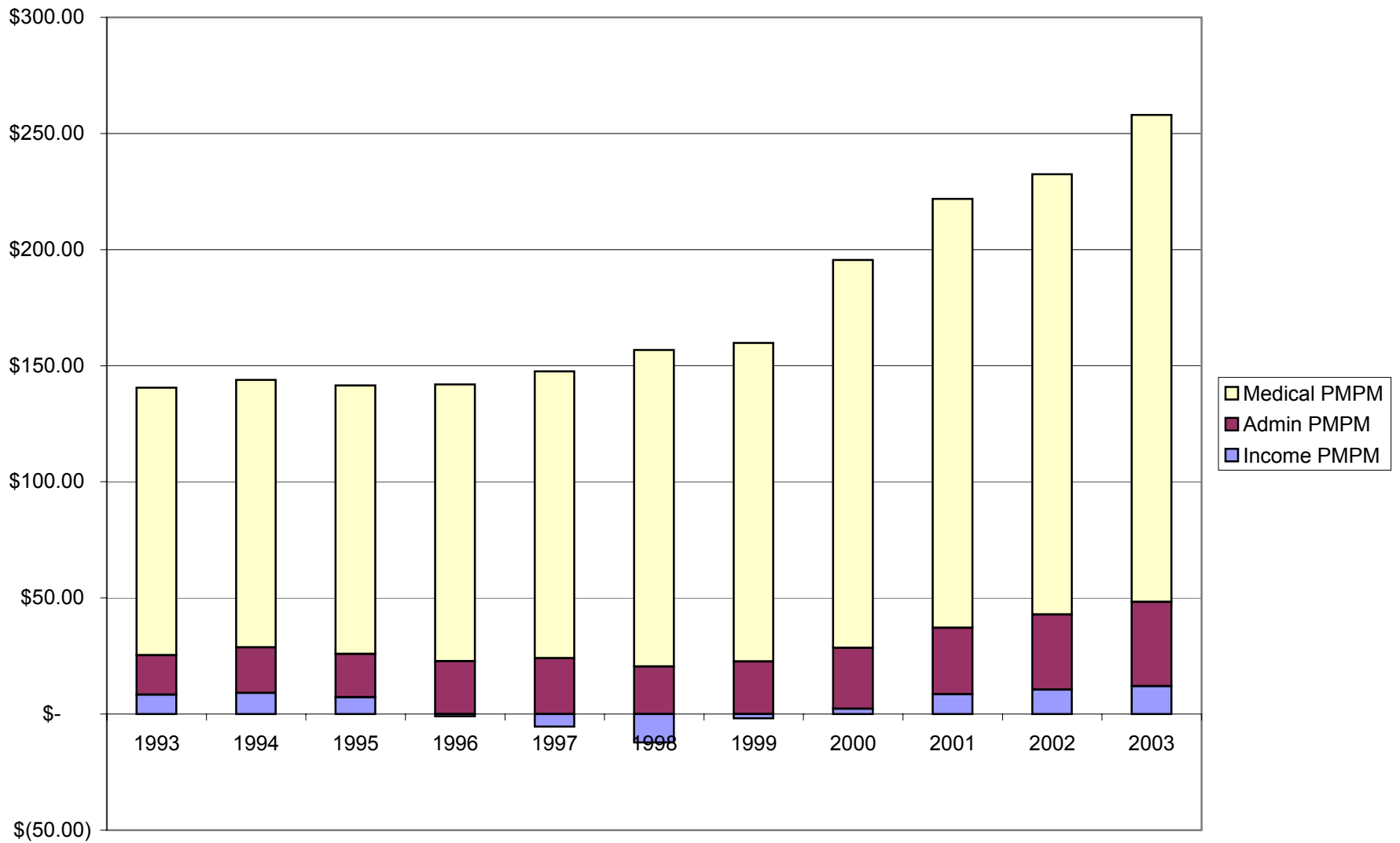
## 2004 PMPM Relative to Median (295) - 1st Quarter Renewals



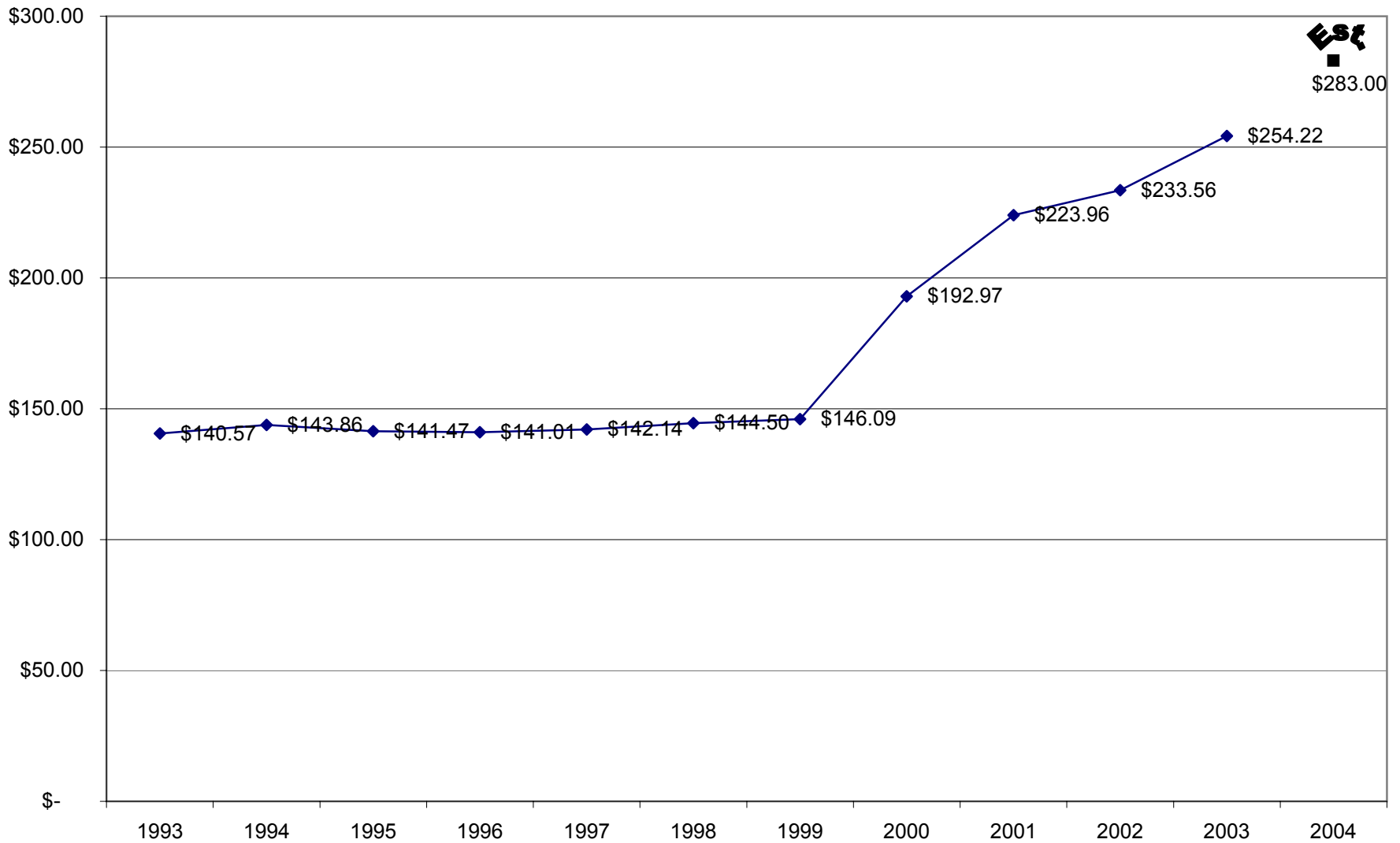
# PMPM Box Plot - 1st Quarter Renewals



### PMPM Components



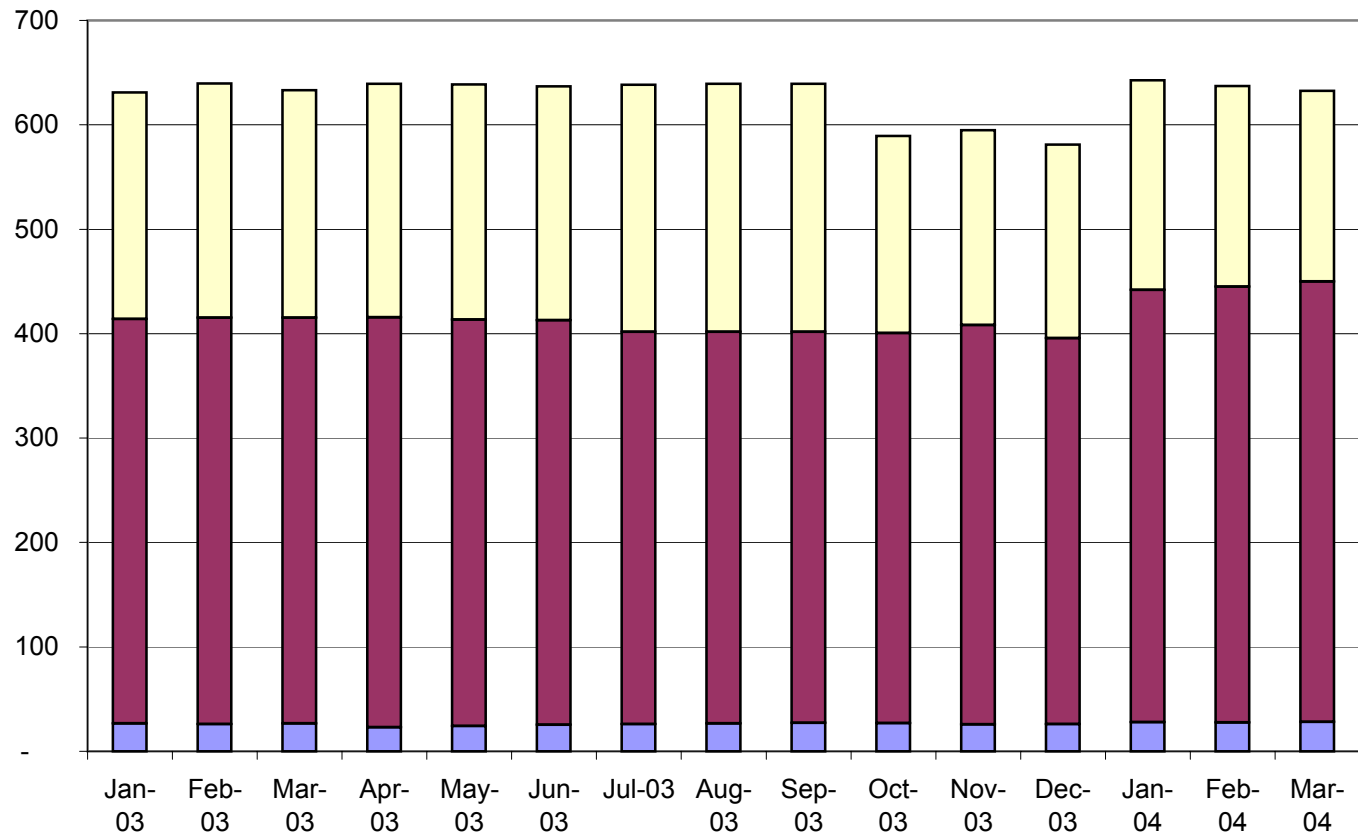
## Per Member Per Month Premium



# Components of Premium

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Income PMPM	\$ 8.36	\$ 9.12	\$ 7.25	\$ (0.92)	\$ (5.44)	\$ (12.24)	\$ (1.78)	\$ 2.26	\$ 8.61	\$ 10.49	\$ 12.06
Admin PMPM	\$ 16.95	\$ 19.56	\$ 18.64	\$ 22.78	\$ 24.09	\$ 20.51	\$ 22.68	\$ 26.23	\$ 28.50	\$ 32.36	\$ 36.22
Medical PMPM	\$ 115.26	\$ 115.18	\$ 115.58	\$ 119.15	\$ 123.49	\$ 136.23	\$ 137.09	\$ 167.03	\$ 184.73	\$ 189.63	\$ 209.69
PMPM	\$ 140.57	\$ 143.86	\$ 141.47	\$ 141.01	\$ 142.14	\$ 144.50	\$ 146.09	\$ 192.97	\$ 223.96	\$ 233.56	\$ 254.22

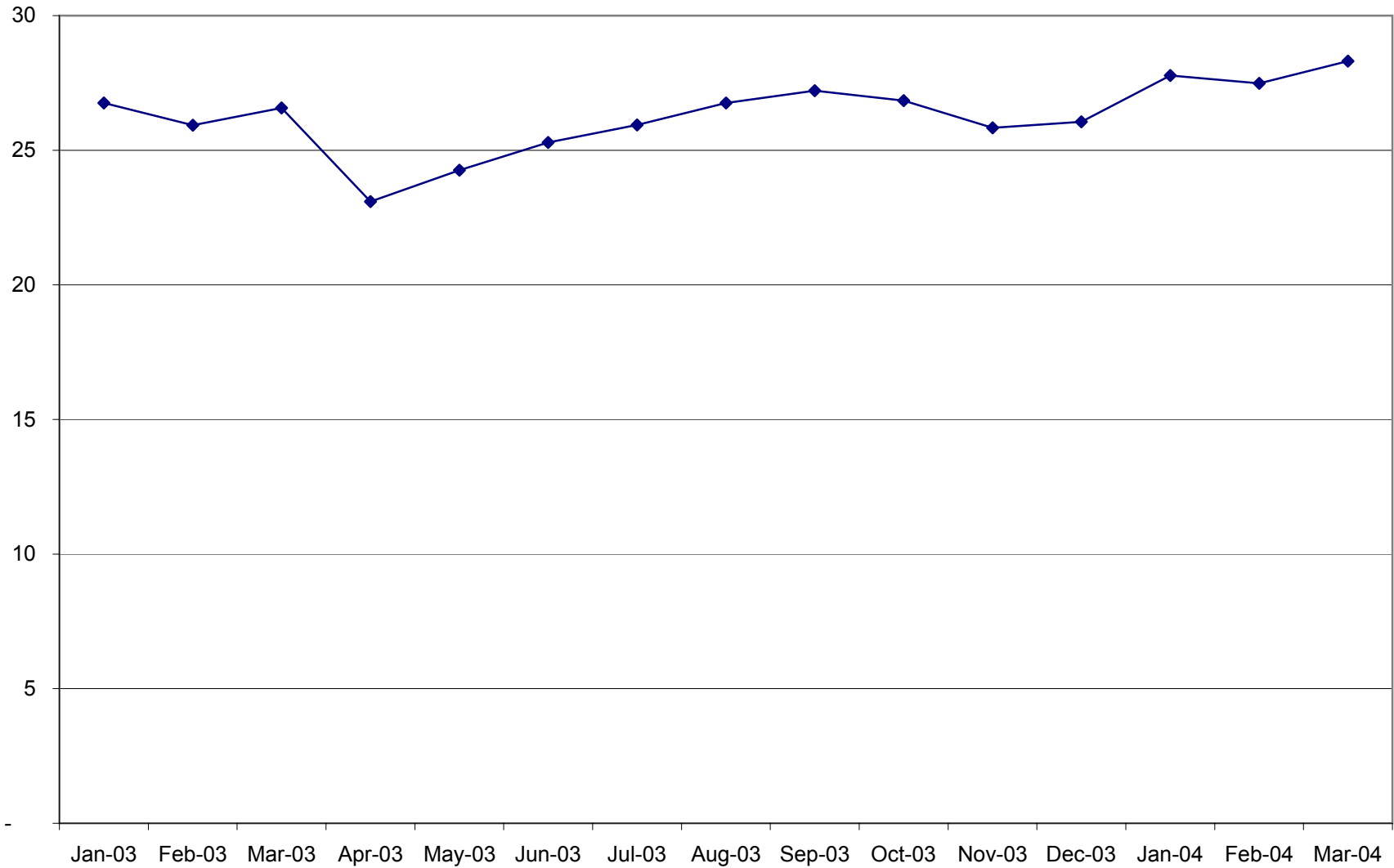
### Reported Covered Lives for Assessment (000)



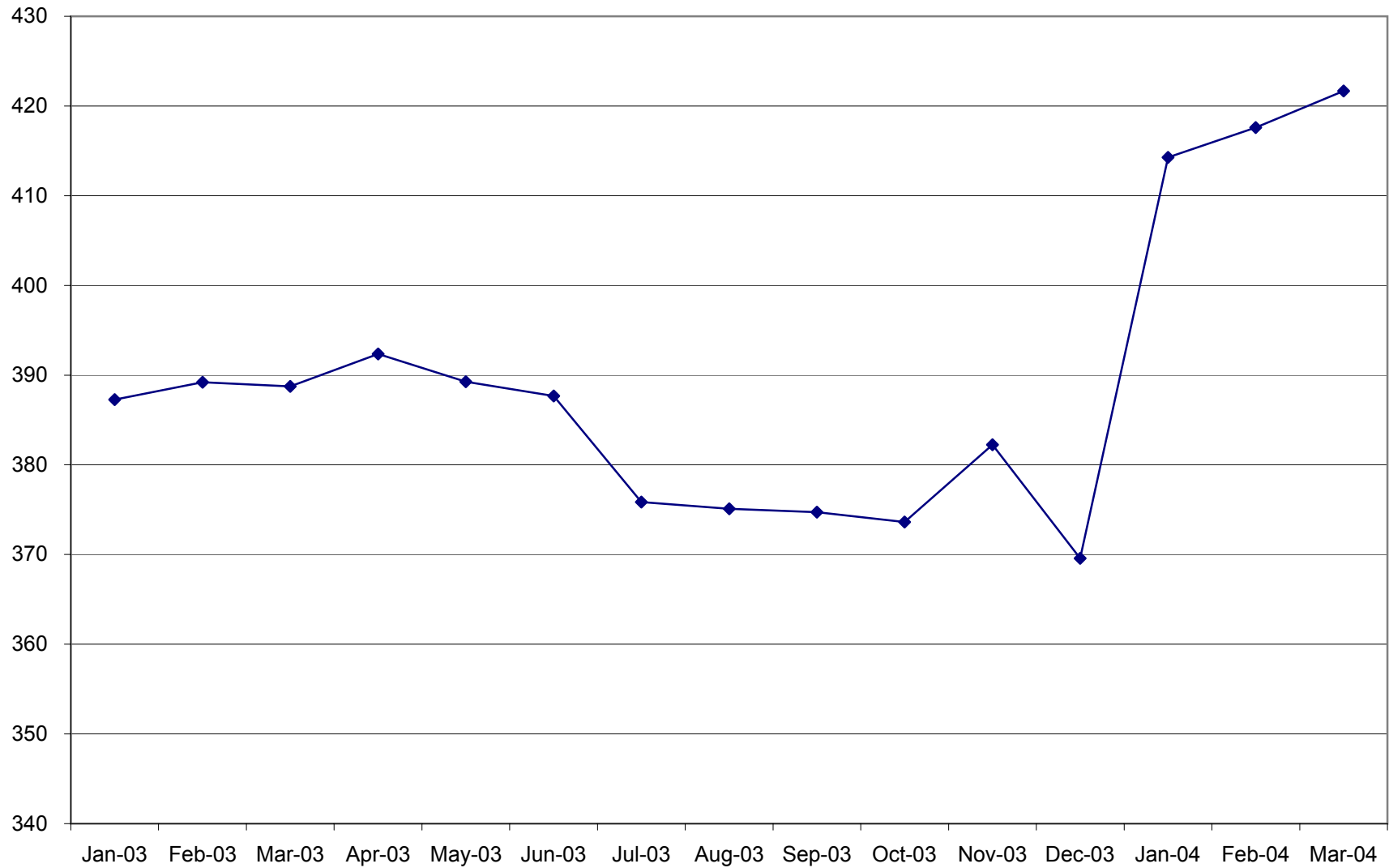
	01/03	02/03	03/03	04/03	05/03	06/03	07/03	08/03	09/03	10/03	11/03	12/03	01/04	02/04	03/04
Group - Self Funded w/ Stop Loss	217	225	218	224	225	224	236	237	237	189	187	185	201	192	182
Group - Fully Insured	387	389	389	392	389	388	376	375	375	374	382	370	414	418	422
Individual	27	26	27	23	24	25	26	27	27	27	26	26	28	27	28

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# Individual (000)



### Group - Fully Insured (000)



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Initial Distribution: SB110 Oversight Committee

Source: NH Individual Health Plan Benefit Association



**Group - Self Funded w/ Stop Loss (000)**

